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Message Text

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43
ACTION CU-04

INFO OCT-01 ARA-10 ISO-00 USIE-00 PA-02 PRS-01 INR-07

INRE-00 XMB-04 AID-05 EB-07 SSO-00 /041 W
---------- 030871
O 131248Z MAR 75
FM AMEMBASSY MONTEVIDEO
TO USDOC WASHDC IMMEDIATE
SECSTATE WASHDC IMMEDIATE 8443

UNCLAS MONTEVIDEO 826

E.O. 11652: N/A
TAGS: BTIO, BTRA, ELTN, OEXC (GUARINO, MARTIN), UY
SUBJ: SPECIAL TRADE OPPORTUNITY: USED RAILWAY TRACK

REF: (A) MVD OM DATED DEC 12, 1974 TO CU/ARA
B) MVD 1480 (1974)

ALSO FOR COMMERCE/FOREIGN BUYER STAFF

STATE FOR CU/ARA

1. COL MARTIN GUARINO, PRESIDENT OF STATE OWNED RAILWAY, ADMINISTRACTION DE FERROCARRILES DEL ESTADO (AFE) TRAVELLING TO U.S. MARCH 16 FOR ABOUT ONE MONTH TO PARTICIPATE IN INTERNATIONAL VISITORS PROGRAM (LEADER GRANT). HE HAS INFORMED EMBASSY THATIN ORDER TO MEET PRESSING NEEDS AFE REQUIRES AN IMMEDIATE SUPPLY OF 250 KILOMETERS (500 LINEAR KILOMETERS) SECOND HAND OF 80 TO 120 POUND/YARD RAIL. IN ADDITION, AFE'S LONGER TERM NEEDS ARE FOR UP TO 4,000 LINEAR KILOMETERS DEPNDING UPON PRICE AND FINANCING. EMBASSY BELIEVES SUCH USED OR SURPLUS MATERIALMAY BE AVAILABLE IN THE U.S.

2. ON ASPECT OF URUGUAYAN GOVERNMENT'S PROGRAM TO IMPORVE AND MAKE PROFITABLE STATE OWNED ENTERPRISES HAS BEEN REFURBISHING OF RAILROAD. ROLLING STOCK, ROADBED AND TRACK ARE SERIOUSLY DETERIORATED DUE TO MANY YEARS OF DECAPITALIZATON AND POOR MANAGEMENT.
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UNDER COL GUARINO'S LEADERSHIP AFE HAS BEGUN RECOVERY

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(REF A). IN 1974 AFE PURCHASED LARGE NUMBER OF ENGINES
AND ROLLING STOCK FROM U.S. ARMY SURPLUS AT VERY FAVORABLE
PRICES IN ADDITION TO RECONDITIONING MOTORS, WITH EXIM
FINANCING. THIS EQUPMENT IS ALMOST ALL IN COUNTRY
BEING PREPARED FOR SERVICE. ROADBED AND TRACK ARE IN
CONDITION, HOWEVER, SUCH THAT OVER LARGE STRETCHES SPEES
MUST BE KEPT LOW. RAILS ARE COMPLETELY WORN OUT.

3. ALTHOUGH ABOVE DESCRIBED PURCHASES WERE MADE
ON VERY FAVORABLE TERMS, AFE MUST EXERCISE EXTREME FINANCIAL
STRINGENCY AND WAS UNABLE TO PLAN REHABILITATION F TRACK
UNTIL NOW. EMBASSY UNDERSTANDS THAT SHIPPING COSTS TO URUGUAY
MAY BE MORE THAN PURCHASE PRICE. HOWEVER, REPORTED
INABILITY OF CLOSER ARGENTINA AND OTHER TRADITIONAL SUPPLIERS
TO PROVIDE RAILS AT PRESENT MAY HELP US EXPORT.

4. THIS VISIT PLANNED FOR SOME TIME WHILE TRADE OPPORTUNITY
BEING INDEPENDENTLY INVESTIGATED ANDPREPARED. WE REGRET THIS RECENT
DEVELOPMENT LEAVES LITTLE TIME FOR PREPARATIONS, BUT WHEN
POSSIBILITY OF MEETING WITH SUPPLIERS SUGGESTED TO COL.
GUARINO HE AGREED ENTHUSIASTICALLY. COL GUARINO WILL
BE IN WASHINGTON WEEK OF MARCH 17 AND RTURNING
ABOUT THREE WEEKS LATER. HE HAS EXPRESSED TO US
APPRECIATION FOR WHATEVER ARRANGEMENTS CAN BE MADE
ON HIS BEHALF TO TALK TO OR VISIT POSSIBLE SUPPLIERS.
COMMERCE MAY CONTACT HIM IN WASHINGTON THROUGH
MR. WEAVER, CU/ARA IN STATE.

5. WE HOPE COMMERCE AND CU/ARA WILL BE IN A POSITION
TO INCLUDE THIS INTERST IN HIS SCHEDULE. IN ADDITION,
WRITTEN PROPOSALS FOR INTERESTED PARTIES MAY BE
FORWARDED TO: COL. MARTIN
ADMINISTRACION DE FERROCARRILES DEL ESAE (AFE), CALLE LA PAZ 1095,
MONTEVIDEO URUGUAY.
SIRACUSA

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAILROADS
Control Number: n/a
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Draft Date: 13 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MONTEV00826
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Drafter: n/a
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19750355/aaaabwuh.tel
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TAGS: BTIO, BTRA, ELTN, OEXC, UY, (GUARINO, MARTIN)
To: COM STATE
Type: TE
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